

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2283 - SB 2514

March 11, 2022

SUMMARY OF BILL AS AMENDED (013453): Requires an unarmed security guard/officer applicant to, within 60 days of employment, complete new training requirements in de-escalation techniques and proper and safe restraint techniques, and to hold a current approved certification qualifying the applicant to administer emergency first aid and cardiopulmonary resuscitation (CPR).

Requires such unarmed security guard/officer to complete refresher training in the new requirements and to maintain a valid current CPR certification upon renewal of registration with the Commissioner of the Department Commerce and Insurance (DCI). Further requires upon renewal for the individual to complete at least two hours of refresher training in one of the current general training requirements for initial registration. Prohibits an unarmed security guard/officer employed by a proprietary security organization (PSO) from carrying a weapon of any kind.

Requires a PSO that has a license or permit from the Alcoholic Beverage Commission (ABC) or a beer board to include in the initial notice to the Commissioner of DCI: (1) documentation of insurance coverage relative to the required liability coverage for employment of a security guards/officers; (2) the electronic fingerprints of the qualifying manager of the PSO; and (3) a registration fee of \$100, and a biennial fee of \$100. Requires the PSO to submit certain information within 15 days of a change in the qualifying manager. Subjects the PSO to a civil penalty for any violation of these requirements.

Requires the DCI to investigate the initial notice to act as a PSO and to compare or request the that the Tennessee Bureau of Investigation compare the fingerprints submitted with the notice to fingerprints filed with the bureau, and to submit the fingerprints to the Federal Bureau of Investigation for a search of its files to determine whether the individual fingerprinted has recorded convictions.

Creates a Class A misdemeanor, punishable by fine only, for any person to knowingly hire a security guard/officer who does not hold a valid registration card. Requires the ABC or a Beer Board to suspend or revoke a PSO license for a violation of this act.

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Revenue –

**\$35,000/FY22-23/Board of Private Protective Services
\$35,000/FY24-25 and Every Two Years Thereafter/
Board of Private Protective Services**

Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Board of Private Protective Services had a surplus of \$330,287 in FY19-20, a surplus of \$81,574 in FY20-21 and a cumulative reserve balance of \$0.00 on June 30, 2021.

Assumption:

- According to DCI there are approximately 350 PSOs that will be required to pay the \$100 fee in FY22-23 and will renew biennially.
- The increase in state revenue is estimated to be \$35,000 (\$100 x 350 PSO) in FY22-23.
- In FY24-25 and every two years thereafter, the increase in state revenue from biennial fees is estimated to be \$35,000 (\$100 biennial fee x 350 PSOs).
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Board of Private Protective Services had a surplus of \$330,287 in FY19-20, a surplus of \$81,574 in FY20-21 and a cumulative reserve balance of \$0.00 on June 30, 2021.
- The ABC and DCI can handle the provisions of the legislation within existing resources without any increase to state expenditures.
- The TBI and FBI will be able to handle the fingerprint comparisons and submissions within existing resources as part of current duties without any increase to state expenditures.
- The courts will not experience an increase in caseloads for misdemeanors or civil penalties; therefore, any impact to the court system is estimated to be not significant.

IMPACT TO COMMERCE:

Increase Business Expenditures –

**\$35,000/FY22-23
\$35,000/FY24-25 and Every Two Years Thereafter**

Assumptions:

- The cost of licensing will be paid primarily by businesses.
- According to DCI there are approximately 350 PSOs the will be required to pay the \$100 fee in FY22-23 and approximately 175 PSOs will renew biennially.
- The increase in business expenditures is estimated to be \$35,000 (\$100 x 350 PSO) in FY22-23.

- In FY24-25 and subsequent years, the increase in business expenditures from biennial fees is estimated to exceed \$17,500 (\$100 biennial fee x 175 PSOs).
- The increased number of licensed PSOs will not have a significant impact to the number of jobs in TN.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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